WORKERS COMPENSATION BOARD
of MANITOBA

MANAGEMENT REVIEW
PRELIMINARY REPORT

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FORWARD

This preliminary report was prepared over a three-week period on the basis of interviews with officials of the Workers Compensation Board of Manitoba. The author wishes to thank everyone who assisted and guided him during the course of this intensive review. The cooperation, interest and dedication of these persons contributed immeasurably to making this effort a gratifying one.

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INTRODUCTION

On June 11, 1982, the Minister responsible for the Workers Compensation Board of Manitoba announced that the services of a management consulting firm had been retained to assist the Board. More specifically, the firm had been "directed to undertake a review of existing management practices for the purpose of developing management program recommendations". These recommendations were to encourage:

a) "the application of The Workers Compensation Act and related regulations in a consistent and effective manner;

b) "the efficient and equitable treatment of claims before the Workers Compensation Board;

c) "the development of internal and external communications systems which will ensure that the public, employers and workers are aware of The Workers Compensation Act and Workers Compensation Board policies and procedures;

d) "the handling of individual claims is understandable to claimants;

e) "the establishment of internal procedures to ensure that all sections of the Workers Compensation Board administration apply the legislation and policies in an equitable fashion; and

f) "the continuing evaluation and analysis of management and administrative practices."

Given the broad terms of this mandate, it was decided to conduct the management review in two phases. The purpose of the first phase was to obtain an overview of the Board's functions, procedures and organization. This would provide an opportunity to familiarize the Board's staff with the purposes of the review and to elicit their suggestions as to the most important matters which it should address.

The second phase of the review will consist of an in-depth study of the issues and concerns identified during the first phase.

An initial meeting between CERECO Inc. and the Board's senior staff marked the beginning of the first phase on June 28, 1982. It was then decided to allow some time for the Chairman to advise the Board's staff of CERECO Inc.'s appointment and to request their cooperation. At the same time, relevant documentation was made available to CERECO Inc.

Interviews with Board's staff began on July 5 and ended July 20, 1982. Seventeen employees were interviewed, some of them on several occasions. Furthermore, two meetings were held with the Commissioners and one with the Board's Chairperson. In all cases, interviewees were advised that the management review was not intended to inquire into issues related to individual workers or employers dealing with the Board. Furthermore, the review was not aimed at assessing or evaluating individual staff members. Its purpose was described as a review of the Board's functions, procedures, processes and organization. All interviewees were assured of confidentiality at the beginning of the interviews.

PURPOSES OF THE PRELIMINARY REPORT

The main purpose of this preliminary report is to present the results of the first phase of the management review. More specifically, it is intended to:

1. outline the main observations derived from the interviews and from an examination of the documentation scrutinized to date;

2. identify the issues and areas of concern which the second phase of the review should address;

3. present some preliminary suggestions;

4. solicit comments from the Minister, the Board of Commissioners and staff to ensure a common and clear understanding of the purposes and direction of the second phase.

The fourth objective underlines the nature of this report. Developed over a short period of time, it constitutes a means by which various interested parties may be consulted further. Time did not permit elaboration on various issues mentioned in the report and certain observations or interpretations may appear incomplete or incorrect to readers with extensive knowledge of the Workers Compensation Board. Moreover, important issues or areas of concern may not have surfaced clearly during the first phase. The preparation of this report before initiating the second phase of the review is therefore intended to provide an opportunity for adequate discussion before further work is undertaken.

SCOPE AND LIMITATIONS OF THE PRELIMINARY REPORT

As indicated earlier, the management review is intended to focus on systems, procedures and organization. It therefore does not address problems associated with individual workers and employers, nor does it aim to evaluate individual Board employees. By definition, the review is not intended to assess specific Board policies or the Act and regulations it administers.

Since only seventeen people were interviewed, it is possible that not all points of view from the staff were heard. Furthermore, since the review focuses on internal systems and procedures, persons and organizations external to the Board were not consulted. In this regard, it will be recalled that the June 11 statement by the Minister included the announcement of various specific measures which complement this review: the formation of a special advisory committee on rehabilitation procedures, a workers' advisers programme, a survey of workers, medical professionals, employees and employers, and the appointment of "an independent audit firm to examine existing methods of determining assessments". Although specific terms of reference have not been announced on all these measures, it is abundantly clear that attention will have to be given to ensuring that they will be complementary and that duplication will be avoided.

Finally, it should be noted that this preliminary report is based on the interviews described above and the documentation examined during the first phase. Apart from The Workers Compensation Act and Manitoba Regulations 82/74 and 24/77, the documentation includes:

- the Report of the Workers Compensation Procedural Review Committee;

- the annual reports of the Boards in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario;

- the report entitled "Compensation Challenges for the 1980's", made public in June 1982;

- various forms used by the Board;

- the Board of Commissioners' minutes of meetings held between January 1981 and June 1982;

- Board pamphlets;

- organization and staff charts;

- job descriptions;

- various documents brought forward or requested to clarify descriptions of present functions and procedures.

ISSUES

In this part of the preliminary report, four major issues are identified in terms which attempt to reflect the concerns expressed in the management review's mandate. The reasons which led to their selection and their implications for the Board's operations are discussed. At the end of the presentation of each issue, recommendations are formulated with regard to the content of the second phase of the management review

I. POLICY FORMULATION AND DECISION-MAKING

The Workers Compensation Act constitutes the broad legislative framework within which the Workers Compensation Board of Manitoba provides compensation to injured workers who come under the scope of the Act. It confers wide powers on the Board and, like most legislation, allows the Board to determine how most of its provisions will be interpreted and implemented.

The Act consists of one hundred sections covering sixty-five pages. A three-page schedule lists the industries to which it applies, in addition to the four industries specifically identified in Section 60 (the Canadian Pacific Railway and its subsidiary companies, the Canadian National Railway Company, the Crown in right of Manitoba and the City of Winnipeg). Despite the length and scope of the Act, only two regulations have been filed and they occupy two and one-half pages.

One relates to seven "miscellaneous matters" such as the definition of "artisans and mechanics" and the other to full-time members of professional fire-fighting departments.

Section 40 (1) of the Act establishes a Board to administer the Act. The Board, consisting of "a chairman and two or more commissioners", is called upon to play a dual role. On one hand, it is responsible for the administration of the organization established to implement the Act and carry out the numerous functions required to do so. On the other hand, it is the final appeal body to which claimants and employers can address themselves if they are not satisfied with the staff's decisions on their cases. The Board can therefore set policies to implement the Act and hold hearings or conduct reviews to make final decisions on the disposition of individual cases.

Since the regulations are silent on most matters relating to the interpretation and implementation of the Act, the policies set by the Board of Commissioners were reviewed in their entirety. The content of these "policies" suggests that the term is used very broadly to include the composition of various committees, changes in their membership and periodic increases in various allowances. Moreover, the policy book indicates that policy formulation by the Board of Commissioners has become a rare event in recent years.

According to the material in the policy book, the majority of the Board's present policies was established in 1970 and a smaller but significant number was adopted in 1973. In 1980, three "policies" were amended concerning advance compensation payments, death of a staff member and delays in reporting by employers. In addition, the

allowances for attendants and for prosthetic devices were increased and the membership of the Claims Committee was changed. A one-paragraph policy on functional disability was established. In 1981, allowable convention and meeting expenses were raised, membership in the Pensions Assessment Group and in the Rehabilitation Committee were changed and the chairmanship of the latter Committee was changed from one member to another. No new policy was adopted.

The absence of clear policies and of procedures by which these policies are adopted constitutes a theme which was raised repeatedly by staff members. They also underlined the absence of procedures manuals which would describe the steps to follow in assessing employers or adjudicating workers' claims. Instead of detailed procedures, readily accessible precedents and systematic guidelines on the application of the Act, they described an informal collection of papers, memoranda, forms and various documents.

Given the small number of policies established by the Board of Commissioners, compared to the scope of the Act, an initial review of collections of documents, sometimes referred to as "policies" or "procedures", was conducted. The Claims Department disposes of a "Precedents" book, memoranda of instruction and an outline of functions. The Precedents book fills seven binders and consists of summaries of various claims and their disposition. A somewhat unusual classification system reduces the value of the index in attempting to locate specific cases. More importantly, the book includes cases adjudicated over a period of more than forty years. Usage, Board of Commissioners policies, verbal or written, internal decisions,

legislative amendments and time have superseded the older cases or made them obsolete. Taken together, the "precedents" may be contradictory in regard to a particular type of case.

Memoranda of instruction fill three binders and bring together notes, decisons arising from meetings, comments and directives issued by successive administrators over a period of more than ten years. They include details of office management as well as material on various types of injury or areas of concern. The notes, some of them trivial and others clearly obsolete, are addressed to adjudication personnel.

A last binder, referred to as a Claims Manual, outlines, in twenty-nine pages, various procedures to be followed in processing a claim. It appears to have been prepared in 1977 or earlier.

The initial review of written "procedures" indicates clearly that there has been no systematic compilation of relevant material. There has not been a procedure by which important cases would be summarized, classified in a consistent manner and collected for reference purposes. Moreover, the "Precedents" book indicates that material which has been superseded is not systematically removed. One interviewee's statement that the "procedures manual" is "scattered around" appears to be amply justified.

An important part of the Board's assessment function is to classify industries. This initial procedure determines the group to which each employer is assigned, the rate at which payroll will be assessed and therefore the employer's cost. The Board publishes a "Classification of Industries and Provisional Assessment Rates"

annually. This pamphlet lists each industry group and its components. However, the "manual" available to Assessment officers consists of a more detailed listing of industries included in each group, without definitions, products or services which would characterize each group. Industrial classification has long been a complex conceptual and practical problem requiring detailed analysis of many aspects of an establishment. In the absence of definitions, Board employees inevitably must classify employers according to their impression of the classification system and the employer's main areas of activity.

The absence of a detailed, up-to-date procedures manual combined with a paucity of policies established by the Board of Commissioners, raise basic issues in terms of the consistent application of the Act. Repeatedly, interviewees pointed to "memory" as one of the most important assets in dealing with claimants and employers. Its use as a means of ensuring consistency between individual cases and over a period of time may be unrealistic. The absence of documentation raises other questions in relation to another issue, training, which will be discussed in the next section.

In an attempt to identify the processes and procedures followed by the Board's staff and Commissioners in formulating and adopting policies, it was decided to review how a specific document was treated. The budget initially appeared to offer an opportunity to undertake a brief case study, given that it would normally be set at regular intervals, unlike policies which can be established as the need arises (this last seems to have occurred in April 1980). The attempt to identify decision-making processes ended when it was learned that the Board does not have a budget.

Further investigation brought forth several reasons for the absence of a budget at the Board. Before discussing those, it is necessary to briefly summarize the Board's financial operations. During the fiscal year ending December 31, 1981, the Board received $50,873,890, of which $33,751,805 were paid by employers in assessments and penalties and $16,481,910 were earned on investments and deposits which totaled $158,736,322 last December 31. During the same period of time, the Board disbursed $51,540,411, of which $32,421,681 were paid as benefits; administration expenses amounted to $4,129,709.

The first point raised in explaining the absence of a budget is that benefits are beyond the control of the Board. The number and severity of accidents and irregular increases in pensions are the main factors which determine benefits paid. On the other hand, the payroll on which assessments are levied varies with the state of the economy, the changing industrial and occupational composition of the employed labour force and the accident experience of the various industries. Past experience has provided the main indicator for preparing estimates of changes in benefits and assessment revenues from year to year.

While it is recognized that administration expenses could be budgeted, it is noted that they constitute only a small part of the Board's annual disbursements (8% in 1981). Furthermore. it is estimated that approximately 80% of administration expenses are paid in salaries and that the remainder is spent on items which provide little room for discretion, e.g., building maintenance and office supplies. It appears that this is the view which has prevailed at the Board until now.

From the point of view of management practice and decision-making processes, the absence of a budget clearly has many implications. Some of the major ones are that:

- the Commissioners do not establish an over-all financial plan for the Board and do not assess the financial implications of policies and decisions within such a plan;

- a specific budget is not allocated to departments and their directors are not required to account for their use of financial resources;

- directors of departments are not given spending authority or discretion in allocating resources within their departments according to guidelines set by the Commissioners;

- the Commissioners themselves have no pre-determined budget;

- senior staff other than directors of departments have no specified spending authority other than past practice.

It appears, therefore, that the informal manner in which financial decisions are taken closely parallels the manner in which policies are established and communicated to staff. In both cases, decision-making on anything but routine matters appears to be slow, uncertain and sometimes arbitrary. According to some staff members, decisions requiring guidance are deferred and then referred to another level within the organization. In the absence of clear policy, much discussion may be required before a question can be resolved. Thus, while one member of the staff may "feel" that it is permissible to

spend up to a certain amount (say, $100) without prior authorization from the next higher level, it is not clear in advance whether a relatively minor decision will be silently approved or result in a reprimand.

In such a context, it seems that non-routine decisions regarding financial matters, adjustments of employers' assessments or adjudication of workers' claims are commonly deferred and referred to others. However, since few employees have any more information than the others, there is no assurance that a fellow employee can provide advice based on written policies and guidelines. The results of this process can be as frustrating as they are predictable: lack of direction, uncertainty, reluctance to make decisions or to initiate queries with policy connotations, wasted time and effort. The interviews provided ample evidence of these consequences.

An additional consequence of an informal or ambiguous decision-making process was suggested during the interviews: employees in management positions spend considerable amounts of time on problems which more junior staff could resolve if procedures and policies were clearer. One employee summarized many comments by stating that "Everything floats upwards".

A related theme throughout the interviews appeared at all levels of management and staff: the degree to which individuals spend time not doing the work which their title implies and for which they are paid. While this phenomenon appears to be accepted willingly in order to assist other staff members and to cope with day-to-day problems, it seems to affect substantially each person's ability to perform his or her own job. Thus, dedicated employees, of whom there

appear to be many, become involved in more and more problems and issues in an unending effort to keep the organization functioning.

A related matter concerns the assignment of new duties to existing staff. Over the years, some employees, especially at senior levels, have been assigned additional duties with little apparent regard for their existing workload, for the questionable relationship between their new and original duties or for the relationship between the duties and the employee's salary and level of responsibility.

The job descriptions made available during the first phase appear to be consistent with the absence of procedures for determining, evaluating and reviewing the assignment of duties. They are remarkably brief and general, and all except those of two new positions were prepared during the first half of the 1970's. The job description of a senior position has apparently never been prepared. Over the years, job contents have evolved, committees have been created and people assigned to them. There is little evidence that job descriptions have evolved accordingly. Furthermore, as people have been promoted, it appears that some have continued to carry a considerable portion of their former duties with them. During the interviews, several examples were cited of middle and even senior management doing quasi-clerical work or technical work which could be expected of less senior staff.

The interviews revealed a general informality regarding the assignment of duties and the structuring of positions within the Board. For example, the organization chart provided for this review was actually developed by an outside investigator in the course of his work last year.

Furthermore, each department appears to make its purchases independently. For no apparent reason, for example, each deals with its own printer when forms are required. Relatively senior staff are responsible for routine matters such as checking inventory, ordering, proof-reading printing materials, etc. Reception and telephone duties are assigned to staff within a particular department rather than within a central administrative unit. Instead of delegating personnel duties such as sick leave and holidays to office managers, middle managers are assigned these duties. During the interviews, numerous examples were mentioned of staff being assigned duties which less senior employees would normally carry out.

While informality remains a highly desirable characteristic of day-to-day operations, the interviews provided much evidence for one of the observations presented in the Report of the Workers Compensation Procedural Review Committee (e.g., in reference to the greater discretion of the Board's Review Committee compared to that of its Claims Committee: "The basis for this matter of fact description remains something of a mystery").

Thus, existing procedures for identifying issues requiring policy decisions, for formulating and adopting these decisions and implementing them appear to be rudimentary or non-existent. This in turn generates indecision, delay and frustration. Combined with a casual approach to the assignment of duties, responsible employees may feel obliged to work long hours to ensure that the Board's functions are carried out.

It should be noted that some policy issues have reportedly remained unresolved for several years and may urgently require

clarification. Background work was undertaken several years ago on some issues which have not yet been resolved through policy decisions. The silence of the Regulations and the modest number of new policies adopted by the Commissioners during the past several years lend strong support to the need to give high priority to the issue of policy formulation and decision-making at the Board.

The broad areas of policy formulation and decision-making therefore emerge as central to the management review. To the extent that these processes can be improved, and that authority and corresponding responsibility can be assigned systematically, the effective and consistent application of the Act would be considerably enhanced. Clarity in these matters and the experience of having policy questions heard and resolved can be expected to contribute to improved employee morale and service to workers and employers.

In light of the urgency of this issue, two suggestions are advanced for immediate consideration:

First, it is proposed that the Board of Commissioners review the form and contents of the minutes of their meetings and the distribution of the minutes to the Board's staff.

A review of the minutes of the Commissioners' meetings over the past eighteen months indicates that few administrative decisions are taken by the Commissioners. Some of them involve relatively minor amounts of money (i.e., less than $500) while others are summarized succinctly. While brevity is highly desirable, it should be noted that extracts of the minutes may constitute the main or sole source of written information on the Commissioners' decisions, since only the executive director normally attends meetings. A review would

allow the Commissioners to clarify which issues or decisions they wish to consider or to delegate to staff.

The Report of the Workers Compensation Procedural Review Committee stressed the need to provide information to claimants whose claim has been rejected by any level of appeal within the Board. Adequate summaries of the reasons for these decisions would provide a firm basis for communication with claimants whose claim has been rejected. In the medium term, the minutes of the Board, meeting as the highest level of appeal for workers whose claim has previously been denied, could relate those reasons as closely as possible to specific written policies or regulations established under the Act.

A related issue which the Commissioners may wish to resolve in the near future relates to the status and significance of their decisions arising from hearings and reviews of cases. While it might be expected that Board of Commissioner decisions are, implicitly or explicitly, an indication to staff as to how similar claims are to be adjudicated, staff interpretation does not support this view. On the contrary, past experience appears to have indicated to staff that Board of Commissioner decisions are exceptions to ususal adjudication and not necessarily relevant to similar past or future claims.

Clearly articulated minutes would provide the Board's staff with written documentation of policies and would thus contribute to consistency in their implementation. In this regard, it is proposed that the Commissioners review the list of employees who should normally receive reasons for decisions on appeals or administrative decisions. In principle, it would seem that all staff charged with implementing

decisions should receive information and directives from the Commissioners.

A second suggestion for immediate consideration is that the Board of Commissioners determine whether or not to adopt a budget for the fiscal year beginning January 1, 1983. The scope and form of such a budget, if any, would clearly require a decision in principle in the very near future.

Turning to the content of the second phase of the management review, it is proposed that:

1. policy formulation and decision-making procedures be developed in consultation with the Board of Commissioners and its staff;

2. these procedures be communicated to staff and explained clearly;

3. specific major policy areas be identified;

4. the Board of Commissioners establish priorities for their consideration of policy issues;

5. policy proposals be developed according to the procedures and priorities established by the Board of Commissioners;

6. job descriptions and functions assigned to positions be reviewed at all levels;

7. an assessment be made of staffing levels and requirements in each department and in the organization generally, including the need for such central services as purchasing, maintenance, personnel, inventory control, etc.;

8. alternative organization charts be developed for review by the Board of Commissioners.

II. TRAINING

The outline of the policy formulation and decision-making process presented above leads to a second major issue: the orientation and training of employees. From the interviews with Board staff, it is apparent that the Board has not systematically provided orientation and training to new employees, and on-going training to existing employees as required. This issue is closely related to the concern for equity and consistency reflected in the mandate for this review.

Regardless of the year in which each employee was hired, no one could recall receiving a general overview of the Board's objectives, purposes and numerous functions. No one has yet been able to provide a statement of those objectives and purposes. In practice, each new employee's supervisor or superior who wishes to provide such information presents the Board as he or she has come to know it over the years. There is no systematic and organized orientation for new employees or for Commissioners.

The Board appears to have one major method of "training" new employees or existing ones who assume different duties: it consists of informal training, more specifically, sitting next to a more experienced employee and learning by osmosis. The experienced employee, in turn, has undergone a similar learning process, gathering information over the years by trial and error, by encountering specific problems and inferring from their eventual resolution what should be done.

As employees gain years of experience and positions become vacant, some are called upon to assume management functions. Since

no formal management training is provided or required, recently-promoted managers must base their behaviour on the people who formerly occupied their position. However, the newly created manager has more experience in his or her former job than in management; the inclination to continue to perform some of the duties of his or her former position can be very strong. Because management positions do not come with clear authority and accountability, and since there appears to be a persistent shortage of staff, the work environment can tend to lead managers away from managing and towards performing other duties. In effect, managers are provided no training, little time and less incentive to manage.

The situation described above, and its widespread existence in the Board, clearly has far-ranging implications for consistency in dealing with employers and workers. The absence of an organized training programme for new employees prevents them from receiving clear direction and from learning adequately what procedures they should follow and how to implement policies, however ill-defined or out-dated. Managers and supervisors, in turn, do not have access to appropriate reference manuals to ensure consistency. Indeed, there are numerous examples of what appear to be arbitrary, contradictory or inconsistent decisions in similar cases. The lack of written procedures, policies and written manuals ensures that there is no readily available way of resolving a problem. The absence of a policy formulation process ensures, in turn, that questions requiring resolution will remain unanswered. Given the need to make decisions every day, the answer to

any question which is not straight-forward and routine is subject, to some degree, to be perceived as arbitrary. In these circumstances, there is no way of refuting such a charge.

The brief overview of the orientation and training issue suggests that considerable work is required in this area. It is proposed that, during the second phase of the management review:

1. materials be developed for the initial orientation of employees as they join the Board's staff.

This proposal would include procedures to acquaint employees with the various departments of the Board, its functions and some of its staff. It is also suggested that it not be necessary to work at the Board for twenty-five years before meeting a Commissioner.

2. existing collections of various documents assembled in lieu of procedures manuals be reviewed in all departments with a view to determining how up-to-date manuals could best be developed.

A tentative suggestion is that these documents be considered not only as reference manuals requiring continuous or periodic up-dating, but as essential sources of training materials for new or existing staff.

3. alternative methods of developing a classification system of employers be assessed and a related plan of work be adopted;

The classification "system" as it presently exists clearly cannot be used for training purposes nor for ensuring consistency between employers.

4. an assessment be made of the Board's immediate and long-term need for training expertise.

At present, no one is responsible for assessing the need for staff training and for providing or obtaining these services. Information on the need for management training, the training of new employees and the up-grading of qualifications as required by the Board would provide a basis for proposals on the internal provision of these services or their purchase from other institutions.

III. COMMUNICATIONS

This term is used and implied in the terms of reference of this review; it was also used extensively by Board staff in the course of the interviews. In both cases, this issue refers to communications between Board staff and between it and the Board of Commissioners. It also refers to communications between the Board and workers, employers, interested organizations, the Legislature, the media and the public.

The flow of information between the Commissioners and the Board's staff was raised in the discussion of policy formulation and decision-making. Obviously, administrative and appeal decisions made by the Commissioners must be made known to staff charged with implementing or communicating them. Conversely, Commissioners must be aware of issues which could potentially require policy decisions as they arise during the course of the staff's work.

The interviews strongly suggested that staff members encounter problems or situations which do not appear to have been addressed in sufficiently clear terms. Discussions with more senior staff have not always resolved these problems. Staff members provided numerous examples of inadequate or non-existent information flows between itself and the Board of Commissioners which, in turn, cannot address issues which have not been brought to its attention.

Another aspect of internal communications concerns the relationship between the Board's various departments. While the Claims Department is responsible for adjudicating claims, it may require advice from the Medical Department, assistance from the Rehabilitation

Department and information from the Assessment Department regarding the employer's status under the Act and the existence of an employer-employee relationship with the claimant.

The interviews indicate less than full understanding of the functions and needs of employees within the same department. When a claim or an assessment requires communication between departments, the gaps in knowledge and understanding of the departments' respective roles are even greater. The absence of orientation and training programmes even on roles and procedures internal to the Board may not be unrelated to this problem. As in all other matters, the interviews indicated that decisions regarding reference of a file to an investigator within the same department or to another department were not always clear-cut. Guidelines, if any were to be found, did not always resolve questions. While an element of judgment is clearly called for in less than routine decisions, it would seem that enhanced knowledge of the role, functions and needs of employees who are responsible for different aspects of the same file would assist in ensuring effectiveness and consistency.

Turning to external communications, reports already made public indicate a need for improvement. The ability to satisfy this need clearly depends on the quality and extent of communications within the Board. It is therefore proposed that, in the second phase:

1. guidelines be established to determine the content of minutes of the Board and those of the various committees (Review, Rehabilitation, Assessment, Pensions Assessment Group Claims, etc.);

2. guidelines be developed regarding written documentation and circulation of policies, decisions, procedures, etc.;

3. as part of the review of the organizational structure, an assessment be made of possible organizational changes to ensure adequate coordination, communication and cooperation between various departments, particularly Claims, Medical and Rehabilitation;

4. also as part of the review of the organizational structure, an assessment be made of the need to communicate, in writing or in person, with the public at large, the media and groups particularly interested in the Board;

5. the appropriateness of adopting a plan to visit employers on a regular basis over a period of years be assessed, as well as the human and financial resources required to implement the plan;

6. a review of all form letters and information provided external users of the Board's services be undertaken to determine the nature of the information they should convey and their consistency with the internal documents referred to in item 2 above;

7. consultation and coordination be assured between the management review and the proposed survey of workers, medical professionals, employers and employees;

8. as the Board of Commissioners approves guidelines regarding this issue, they be communicated to staff and, where appropriate, to external users of Board services.

IV. INFORMATION SYSTEMS

Several persons interviewed during this initial review referred to the lack of timely data. Whenever a claimant or an employer calls or visits the Board, the complete file must be located. It can be in either of the Assessment, Claims, Medical, Rehabilitation or Accounting Departments, or a Claims or Assessment inspector may have left the building with it in order to interview an employer, a claimant or a witness to an accident.

Nine employees of one department spend each day trying to locate files. In doing so, they may interrupt a claimant discussing a sensitive medical problem with a Rehabilitation or Claims officer. Even when a claim has been accepted and payment authorized, the complete file, including employer, employee and medical reports, if any, is forwarded to the Accounting Department where the check is prepared. The absence of a file tracking system and the obvious delays in responding to simple telephone inquiries or to claimants who enter the Board's offices do not appear to be consistent with considerations of efficiency and service to workers and employers.

Apart from the approximately 50,000 claims filed with the Board in a year, over 18,000 employers must submit payroll information for assessment purposes. The resulting volume of paper and the practice of handling files manually clearly require streamlining. At present, the Board uses a Univac 9200 acquired in 1972. Present facilities cannot respond to front-line staff needs. In addition, the use of Board data, a collection of unique information on accident experience and trends in industrial diseases, remains largely inaccessible for research purposes relevant to the Board's activities.

Furthermore, managers have rudimentary management information. Given the volume of work, the apparent shortage of staff and other pressures referred to earlier, managers have little time to think of data as indicators of the effectiveness of the staff for which they are responsible. The length of time spent in a rehabilitation programme, the time lapse between the initiation of a claim and its disposition, the time required for a case to proceed through various stages of adjudication and review, the length of time taken in cases referred to medical review panels, whether for a given period of time or as indicators of trends, are only some examples of the potential use of data by the Board's management and Commissioners. Information on various indicators classified by industry, type of accident or location would clearly require enormous amounts of time to retrieve from individual files.

While many examples of internal uses of data by the Board's managers could be imagined, it should be noted that outside users are now unlikely to be served adequately. Governments and the public at large are examples of such external users. Furthermore, researchers, both within and outside the Board, could possibly provide the Board with useful insights into trends and new developments in accidents and industrial diseases. Finally, the Workplace Safety and Health Division can be expected to make use of informataion which only the Board possesses. The management review clearly must address the whole question of collecting, processing and using data generated by the Board's activities.

It is therefore proposed that, in the second phase:

1. the information needs of the Board of Commissioners, senior staff, department directors and other staff be identified;

2. the information needs of workers, employers, government and the public at large be assessed first by identifying demands presently known by Board staff and second, through consultation with and input to the proposed survey of workers, medical professionals, employees and employers;

3. information needs be specified before any decision regarding the choice of appropriate technology is made;

4. a plan be developed to evaluate alternative technologies;

5. an implementation plan be developed to introduce new technology in accordance with the Board's priorities.

SUMMARY AND CONCLUSIONS

I. SUMMARY

The purpose of this preliminary report is to present the observations made during the first phase of the management review, to solicit comment on its contents and to identify the issues which should be addressed during the second phase.

In the report, two suggestions are formulated for the Board of Commissioners' immediate consideration:

1. that the Board of Commissioners review the form and contents of the minutes of their meetings and the distribution of the minutes to the Board's staff;

2. that the Board of Commissioners determine whether or not to adopt a budget for the fiscal year beginning January 1, 1983.

The implications of these two suggestions are elaborated in the preliminary report.

Regarding the second phase of the management review, proposals were made under four broad issues.

I. Policy Formulation and Decision-Making

It is proposed that:

1. policy formulation and decision-making procedures be developed in consultation with the Board of Commissioners and its staff;

2. these procedures be communicated to staff and explained clearly;

3. specific major policy areas be identified;

4. the Board of Commissioners establish priorities for their consideration of policy issues;

5. policy proposals be developed according to the procedures and priorities established by the Board of Commissioners;

6. job descriptions and functions assigned to positions be reviewed at all levels;

7. an assessment be made of staffing levels and requirements in each department and in the organization generally, including the need for such central services as purchasing, maintenance, personnel, inventory control, etc.;

8. alternative organization charts be developed for review by the Board of Commissioners.

II. Training

It is proposed that:

1. materials be developed for the initial orientation of employees as they join the Board's staff;

2. existing collections of various documents assembled in lieu of procedures manuals be reviewed in all departments with a view to determining how up-to-date manuals could best be developed;

3. alternative methods of developing a classification system of employers be assessed and a related plan of work be adopted;

4. an assessment be made of the Board's immediate and long-term need for training expertise.

III. Communications

It is proposed that:

1. guidelines be established to determine the content of minutes of the Board and those of the various committees (Review, Rehabilitation, Assessment, Pensions Assessment Group, Claims, etc.);

2. guidelines be developed regarding written documentation and circulation of policies, decisions, procedures, etc.;

3. as part of the review of the organizational structure, an assessment be made of possible organizational changes to ensure adequate coordination, communication and cooperation between various departments, particularly Claims, Medical and Rehabilitation;

4. also as part of the review of the organizational structure, an assessment be made of the need to communicate, in writing or in person, with the public at large, the media and groups particularly interested in the Board;

5. the appropriateness of adopting a plan to visit employers on a regular basis over a period of years be assessed, as well as the human and financial resources required to implement the plan;

6. a review of all form letters and information provided external users of the Board's services be undertaken to determine the nature of the information they should convey and their consistency with the internal documents referred to in item 2 above;

7. consultation and coordination be assured between the management review and the proposed survey of workers, medical professionals, employers and employees;

8. as the Board of Commissioners approves guidelines regarding this issue, they be communicated to staff and, where appropriate, to external users of Board services.

IV. Information Systems

It is proposed that:

1. the information needs of the Board of Commissioners, senior staff, department directors and other staff be identified;

2. the information needs of workers, employers, government and the public at large be assessed first, by identifying demands presently known to the Board staff and second, through consultation with and input to the proposed survey of workers, medical professionals, employees and employers;

3. information needs be specified before any decision regarding the choice of appropriate technology is made;

4. a plan be developed to evaluate alternative technologies;

5. an implementation plan be developed to introduce new technology in accordance with the Board's priorities.

As indicated earlier, these proposals have been formulated to assist in specifying the content and focus of the second phase of the management review. They vary substantially in terms of the effort and length of time their implementaion would require. The proposed schedule which follows has therefore been prepared by order of implementation, showing which steps could be taken shortly and which would require more time to implement.

Immediate:

1. modify the format and contents of the minutes of meetings of the Board of Commissioners;

2. establish the distribution list of minutes or extracts thereof;

3. determine the content and distribution of written records of internal committees (e.g. Review, Claims, Assessment, Rehabilitation, Pensions Assessment Group, etc.);

4. decide whether to adopt a budget and, if so, its scope, timing and general contents;

5. establish policy-making procedures, including how policy issues are to be identified and brought forward for consideration by the Board of Commissioners, as well as the format of policy proposals;

6. request the staff to prepare lists of issues which might require determination by the Board of Commissioners (e.g., heart, contractor-principal, Lampe Commission proposals, etc.;

7. establish priorities among the policy issues;

8. review the functions of existing staff;

9. prepare alternative organization charts;

10. prepare orientation materials, outlining Board objectives, purposes and functions;

11. prepare a plan to consolidate existing documents into procedures manuals in all departments;

12. initiate an assessment of data needs within and outside the Board;

Medium-term:

13. develop policy proposals according to the format, procedures and priorities established by the Board of Commissioners;

14. assess the current assignment of duties;

15. determine new duties to be undertaken by Board staff (e.g., research, management information, administrative support, training, etc.);

16. adopt organizational arrangements in light of items 14 and 15;

17. review letters and other correspondence with workers, employers and others;

18. begin drafting procedures manuals and identifying major gaps and ambiguities;

19. develop and adopt a plan to establish a classification of industries;

20. develop and adopt a plan to visit employers on a regular basis;

21. identify the data needs of management and staff;

22. identify the data needs of persons and organizations outside the Board;

23. develop and adopt a plan to create a management information system;

24. integrate the results of the survey of workers, medical professionals, employees and employers with the procedures and forms used by the Board.

Long-term:

25. implement a management information system;

26. review on-going and new information requirements;

27. review assignment of duties, staffing levels and organizational structures periodically;

28. up-date policy and procedures manuals continuously and review periodically;

29. utilize feed-back mechanisms and management information to review and assess levels and quality of service to users of Board services;

30. plan for the future on the basis of information provided by on-going operations, research and contact with the Board's clientele.

It should be stressed that the initiatives proposed in this report should be coordinated with others already announced, such as the formation of the committee on rehabilitation procedures, the workers' advisers programme, the review of methods of determining assessments, etc. It is also proposed that many of the recommendations presented in the report of the Workers Compensation Procedural Review Committee be reviewed as part of the process of identifying, considering and determining policy issues outlined in this report.

The annual reports of Boards in other provinces suggest a final note. While this preliminary review did not allow contact with other Boards, their functions imply that they have had to address many of the issues raised in this preliminary report. Before initiating major projects within Manitoba's Workers Compensation Board, it would seem both economical and efficient to verify how specific issues have been resolved elsewhere. Other Boards may be prepared to share

invaluable information, manuals, etc. Contact with them would also provide an opportunity to assess various forms of cooperation. Their advice and expertise may well reduce the length of time and the effort required to resolve the major technical and management issues raised in this report.

II. CONCLUSIONS

During the 1960's and 1970's, most public and private institutions and organizations underwent a period of rapid growth accompanied by major changes in systems, procedures and technology. The Workers Compensation Board of Manitoba was not unaffected by this general transformation. However, it appears to have evolved through incremental changes more than most organizations in the public sector. It now faces a period of major adjustment in order to accommodate changes which have already taken place and to plan for the future.

Despite a relatively high level of stress related to the workplace, the Board continues to benefit from the services of many highly dedicated employees. Interviews conducted with seventeen of them suggest that there is a clear and urgent need to move forward and to provide a sense of direction to the work of the Board.

The recommendations presented in this preliminary report are all aimed at addressing the need for adequate support and structures which would assist the Board in undertaking its functions effectively. The report is intended to solicit comments and suggestions which would clarify the framework and direction of the second phase of the management review. Decisions on the priorities of the Workers Compensation Board would establish that framework and allow the next phase to proceed.